

OPTIONAL EMPLOYEE'S OPPORTUNITY TO JOIN NHRS

NAME _____

EMPLOYER _____
ACCOUNT # _____

In your position of _____, you have the opportunity to join the
(Title)

New Hampshire Retirement System.

General information: NHRS is a public employee pension plan. In addition to lifetime pensions, it offers death and disability benefits to its eligible members and their beneficiaries. It is a defined benefit plan, which means that pensions are based on salary and length of service, not on the amounts contributed to the plan or investment returns. Publications describing the details of each benefit, summarized below, are available from NHRS.

Summary of Benefits for Group I Members

1. The formula for calculating pensions: Average Final Compensation (the average of your three highest paid years of service) divided by 60, times the years of creditable service (the years and months of service credit you have as a member of NHRS and any prior service credit you have purchased) = annual pension.

Example: \$30,000 AFC divided by 60 x 30 years of service = \$15,000

NHRS members with 30 years of service generally retire on half pay. At age 65, pensions are reduced by about 10%, but they also gain regular cost of living increases.

Eligibility for pensions: at age 60, members may retire with no minimum years of service. Members who are vested (have ten years of creditable service) may retire before age 60, with an early retirement reduction.

2. Death and disability benefits: Members are covered for job related death or disability from the first day they join NHRS. Non-job related disability retirement is available for members who have at least ten years of creditable service. In the event of non-job related deaths, beneficiaries of NHRS members receive a return of all the members' contributions, with interest, and a year's salary. The surviving spouse of a member, who had at least ten years of creditable service, can choose to receive a pension instead of the lump sum payment.

3. Opportunity to make additional contributions: Members who wish to retire prior to age 60 and members who will work fewer than 30 years can make additional contributions for the purpose of funding a second annuity.

4. Opportunity to purchase prior service credit: It may be possible to purchase credit for the time you have already worked for your employer.

The current formula for cost calculation: current salary times the number of years to purchase, multiplied by 9.14%, which equals the member contribution rate of 5% and the current employer contribution rate of 4.14% (the employer rate of 4.14% is scheduled to change on 7/1/03). Ex: A member with an annual salary of \$20,000 wants to purchase 5 years of service: $\$20,000 \times 5 = \$100,000 \times 9.14\% = \$9,140$.

NHRS JOIN 2

(OVER)

Enrolling in NHRS:

- In order to join NHRS, members must complete an enrollment and beneficiary form.
- Group I members contribute **5%** of their pay, which will be deducted from their pay on a pre-tax/after taxes *(circle the option the employer has chosen)* basis.
- Once enrolled, the member must continue to be a member until retirement, termination of employment or a decrease in their regular workweek of less than 35 hours for at least 90 days.

EMPLOYEE'S DECISION ON THE OPTION TO JOIN NHRS

I acknowledge that I have reviewed this document, which contains a summary of the benefits of becoming a member of the New Hampshire Retirement System:

Please check one of the following:

☐

I do not choose to become a member of NHRS at this time. I understand that I have the right to join NHRS at any time during my employment with my employer.

☐

I want to become a member of NHRS now. I understand that 5% will automatically be deducted from my gross pay. I further understand that once I am enrolled, I cannot opt out of NHRS unless I terminate employment or regularly work less than 35 hours per week, for at least 90 days.

(Employee's Signature)

(Date)

Employer's Instructions: After the employee completes the form, two copies should be made – one for the employee, one for the employer to put on file.

Note: NHRS is governed by RSA 100-A and the rules and regulations established by the NHRS Board of Trustees. If there is any conflict between this document and the laws, rules and regulations that govern NHRS, the laws, rules and regulations will prevail.